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AUKUS and Indo-Pacific Security

AUKUS Overview

Launched in September 2021, the Australia, United Kingdom (UK), United States (AUKUS) security pact is described by analysts as the most significant security arrangement among the three countries in a generation. Observers say the three allies launched AUKUS as a strategic response to China's growing military capabilities in the Indo-Pacific region (see **Figure 1**). President Biden stated that AUKUS will "update and enhance our shared ability to take on the threats of the 21st century" and noted that the three nations "stood shoulder-to-shoulder" and fought together in two world wars, Korea, and the Persian Gulf.

Although international attention initially focused on the proposed transfer of nuclear propulsion technology to Australia, observers say the pact's plan to develop advanced technologies and other military capabilities over the longer term may prove to be equally significant (see CRS In Focus IF11999, *AUKUS Nuclear Cooperation*). The agreement may also prompt closer cooperation on other security threats. In April 2022, for example, AUKUS leaders committed "to commence new trilateral cooperation on hypersonics, counter-hypersonics, and electronic warfare capabilities" in response to China's tests of its own hypersonic missiles, which Chairman of the Joint Chiefs of Staff General Mark Milley described as "very concerning."

AUKUS and U.S. Security Ties

The AUKUS agreement strengthens the United States' defense and intelligence ties with Australia and the UK while augmenting a number of existing multilateral security arrangements. By strengthening key U.S. alliances in the region through the AUKUS agreement and other multilateral initiatives, the Biden Administration may be seeking to address questions from regional partners about America's commitment and staying power in the Indo-Pacific. The United States and Australia are treaty allies under the 1951 Australia, New Zealand, United States alliance (see **Figure 2**) and the United States and the UK are members of the 1949 North Atlantic Treaty Organization (NATO) alliance. The United States, Australia, and the UK also are, along with Canada and New Zealand, part of the 1946 Five Eyes intelligence-sharing group. The United States joined with Australia, Japan, and India initially in 2007 and again in 2017 to form the Quadrilateral Security Dialogue (Quad). Australia and the UK are, along with Malaysia, New Zealand, and Singapore, part of the 1971 Five Power Defence Arrangements.

Figure 1. Map of the Indo-Pacific



Source: CRS. Boundaries from U.S. Department of State.

Australia and AUKUS

AUKUS focuses mostly on developing military capabilities and opens the way for Australia to build nuclear-powered submarines. Australia initially plans to build approximately eight such submarines in Adelaide and to establish a new submarine base on its east coast. Currently, six countries operate nuclear-powered submarines; the UK, and now Australia, are the only nations with which the United States shares nuclear propulsion technology. Nuclear-powered submarines do not have the same limitations as conventional submarines and can stay submerged for many months. These steps appear to be part of a broader Australian effort to bolster its national security capabilities.

The Australian government is increasingly concerned by China's actions, including its imposition of trade restrictions in response to Australian calls for an inquiry into the origins of COVID-19, efforts to influence Australian politics, and expanding presence in the South Pacific. Canberra, in response, embarked on the biggest expansion of its defense capabilities since the Vietnam War, increasing military spending by 7.4% for FY2022-FY2023 to reach 2.11% of gross domestic product (GDP) and planning to boost the size of its military by approximately one-third. Prime Minister Scott Morrison warned that an "arc of autocracy" is challenging the world order and compared the present geopolitical situation to the strategic uncertainty of the 1930s. Defense Minister Peter Dutton stated that Australia must prepare for war. A 2021 poll found 75% of Australian voters felt China posed a

significant threat to Australia's national security and 59% supported the AUKUS agreement.

Through AUKUS, Australia is to acquire additional long-range strike capabilities to “deter and respond to potential security challenges,” including acquiring Tomahawk cruise missiles for its Hobart Class destroyers, Long-Range Anti-Ship Missiles for its F/A-18 Hornet aircraft, extended-range Joint Air-to-Surface Standoff Missiles for its F/A-18 and F-35A aircraft, hypersonic missiles, and unmanned underwater vehicles. The pact is a significant collaboration on capability development and, in the view of some analysts, “means China faces a powerful new defence alliance.”

Australia's Opposition Leader Anthony Albanese supports AUKUS and the decision to acquire nuclear-propelled submarines. He has stated that, if elected, his government would create an Advanced Strategic Research Agency (ASRA) to take advantage of AUKUS's provisions on technology sharing and research and development cooperation with the U.S. Defense Advanced Research Projects Agency (DARPA) and the UK's newly created Advanced Research and Invention Agency (ARIA).

The United Kingdom and AUKUS

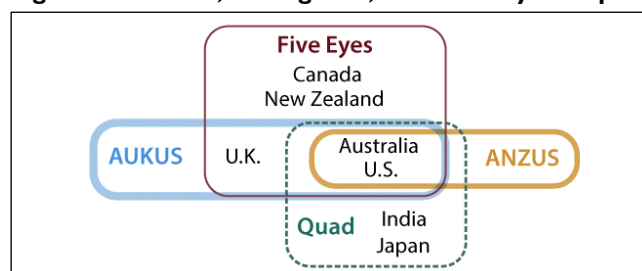
Following the UK's 2020 withdrawal from the European Union (*Brexit*), the government of Prime Minister Boris Johnson has promoted efforts to reassert a *Global Britain*. The UK's March 2021 *Integrated Review of Security, Defence, Development and Foreign Policy* emphasized deeper engagement in the Indo-Pacific region as a foreign policy priority. While describing Russia as the “most acute direct threat to the UK,” the *Integrated Review* framed China as a “systemic competitor.” AUKUS further confirmed the intention of the UK, a country often considered the United States' closest and most reliable ally, to expand its involvement in the Indo-Pacific region.

The UK conducted a high-profile demonstration of its renewed regional interest in 2021 with the deployment to the Indo-Pacific of a naval carrier strike group led by the new *HMS Queen Elizabeth*. The seven-month deployment, which included a U.S. destroyer, U.S. Marine Corps F-35 aircraft, and a Dutch frigate, in addition to several UK vessels, made several stops in the region, crossed the South China Sea, and engaged in exercises with regional partners. The UK has a relatively small permanent military presence in the Indo-Pacific region, with facilities in Bahrain, Brunei, Diego Garcia, Oman, Qatar, and Singapore; in 2021, UK officials announced the UK would station two new naval patrol vessels in the Indo-Pacific region for at least the next five years. To keep pace with evolving global security challenges, the Johnson government committed to new defense spending increases starting in 2020; in 2021, the UK had the world's third-highest defense expenditures, spending approximately \$72.7 billion (2.25% of GDP).

Close ties with Australia are a cornerstone of the UK's approach to the region. In addition to the elevated defense cooperation under AUKUS, the two countries signed a new bilateral free trade agreement in December 2021. In

February 2022, Prime Minister Johnson and Prime Minister Morrison announced additional areas of new bilateral cooperation and investment, including in science, technology, climate, and energy. The UK also announced a £25 million (approximately \$30.6 million) investment in projects to strengthen regional resilience against cyber threats, state threats, and threats to maritime security. In January 2022, Minister Dutton and UK Defense Minister Ben Wallace discussed the possibility of the UK basing defense assets in Australia and vowed increased cooperation in naval training, interoperability, and exercises. In 2018, Australia awarded an AD\$35 billion (approximately \$25.6 billion) contract to the UK company BAE Systems for the construction of nine new Hunter-class anti-submarine warfare frigates. The two countries signed a Defence and Security Cooperation treaty in 2013.

Figure 2. Defense, Intelligence, and Security Groups



Reactions to AUKUS

Regional reactions to AUKUS have been mixed. Japan, which signed a Reciprocal Access Agreement with Australia in January 2022, welcomed the launch of AUKUS “in the sense of strengthening engagement in the Indo-Pacific region.” New Zealand's Prime Minister Jacinda Ardern also welcomed the increased engagement of the United States and the UK in the region. Conversely, France described Australia's decision to scrap a previously signed AD\$90 billion (approximately \$66 billion) deal to purchase 12 French-designed submarines and instead acquire nuclear-propelled submarine technology from the U.S. and the UK as “a stab in the back.” PRC officials said the AUKUS agreement undermines regional peace and stability and intensifies the arms race. Indonesia expressed concern “over the continuing arms race and power projection in the region.” Some analysts described India as welcoming AUKUS as a deterrent to China, while others see disagreement over whether AUKUS benefits or hurts India's interests.

Congressional Interests

Congressional interest in AUKUS derives to a large extent from Congress's role in exercising oversight of the United States' treaty alliances with Australia and the United Kingdom as well as its oversight of the Administration's strategy toward the Indo-Pacific region at a time of increasing competition with China. Many Members are part of the Friends of Australia Caucus as well as the Congressional United Kingdom Caucus, the British American Parliamentary Group, and the newly formed AUKUS Caucus.

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